



May 19, 2026

The Honorable Robert Rivas
 Speaker of the Assembly
 1021 O Street, Suite 8330
 Sacramento, CA 95814

The Honorable Jesse Gabriel
 Chair, Assembly Budget Committee
 1021 O Street, Suite 8230
 Sacramento, CA 95814

The Honorable Monique Limón
 Senate President pro Tempore
 1021 O Street, Suite 8518
 Sacramento, CA 95814

The Honorable John Laird
 Chair, Senate Budget & Fiscal Review Committee
 1020 N Street, Room 502
 Sacramento, CA 95814

Re: FY26-27 May Budget Revision Response - Medi-Cal Revenue Solutions - SUPPORT

Dear Speaker Rivas, Pro Tem Limón, Chair Laird and Chair Gabriel,

We, the undersigned organizations, representing a diverse coalition of community-based, faith-based, labor, county, and health care organizations from across California, write today to encourage you to adopt a Medi-Cal fair share contribution or other revenue strategy to address the harms of H.R. 1 without cuts to vital services. Medi-Cal, California's Medicaid program, is a lifeline for coverage and a foundational source of economic and health security for millions of Californians, and a key funding pillar of our health care system for the doctors, clinics, hospitals, In-Home Supportive Services, and other key health care services on which we all rely.

The Governor's proposed state budget makes over \$1 billion in cuts to low-income Californians, immigrants, older Californians, and disabled communities, and is absent of revenue specifically for health care. Despite stronger-than-expected revenues, the May Revise doubles down on the harmful plan to impose premiums on low-income Medi-Cal enrollees with certain immigration statuses, increasing the cost to \$50/month (up from \$30/month). It also continues the Governor's plan to kick immigrant asylees and refugees off comprehensive health care coverage, just nine months later than originally proposed. It also reinstates the harmful and punitive \$2,000 asset limit that will restrict older adults and people with disabilities from having any savings, forcing them into deep poverty and disincentivizing enrollment for needed health and long-term care services.

Additionally, the Governor's May Revise continues a freeze in Medi-Cal enrollment for income-eligible undocumented Californians and an elimination of dental coverage for undocumented adults and some immigrants with legal status starting on July 1 of this year. Lastly, it continues to subject certain immigrant populations to state-based work reporting requirements, despite this not being required by federal law.

As organizations who stood united in fighting back against the 2025 actions of the Trump Administration and GOP-led Congress to significantly cut and rollback federally funded health and social service programs, including cuts to Medicaid, **we urge the California State Senate and Assembly to reaffirm their commitment to Medi-Cal through a long-term revenue solution that holds corporations accountable and rejects the cuts in the Governor's May Revise.**

H.R. 1 was a massive upward redistribution of wealth – gutting over \$1 trillion from low- and middle-income Americans and the health and social programs they rely on, and giving \$4.5 trillion in tax handouts that primarily benefit the wealthiest Americans and most profitable corporations.¹ Meanwhile, many of the same corporations benefiting from huge new tax breaks in California pay low wages and offer unaffordable health care benefits, requiring their workers to rely on Medi-Cal for health coverage. As the Senate Democrats' Foundation for the Future budget plan notes, 42% of Medi-Cal enrollees are currently full-time workers who are eligible

¹ Congressional Budget Office, "Estimated Budgetary Effects of Public Law 119-21", July 21, 2025, [https://www.cbo.gov/publication/61570#:~:text=Summary.is%20estimated%20at%20\\$3.4%20trillion](https://www.cbo.gov/publication/61570#:~:text=Summary.is%20estimated%20at%20$3.4%20trillion). and Bipartisan Policy Center, "What Does the One Big Beautiful Bill Cost?", July 23, 2025, <https://bipartisanpolicy.org/explainer/what-does-the-one-big-beautiful-bill-cost/>

due to low-wages, insufficient hours, or lack of access to an affordable comprehensive employer-sponsored coverage.² When large, profitable corporations can get away with shifting their costs onto the rest of us, working people, families, people with disabilities and responsible businesses all suffer. That has to end.

Solution: An Employer Share of Cost

The Trump Administration and the Republican-controlled Congress just gave wealthy corporations the largest tax cut in history, paying for it with the largest health care and nutrition assistance cuts in history. Federal corporate tax receipts have already plunged, and the total benefit to corporations will total roughly \$900 billion over ten years.³

We believe in supporting long-term revenue proposals, like the one proposed by California's State Senate, that will recover billions in state costs to mitigate the devastating impacts of H.R. 1, keeping Californians covered and protecting over a decade of progress towards universal health care.

As the Assembly and Senate respond to the May Revise and enter into final negotiations of the FY 26-27 Budget with Newsom Administration, we encourage you to guarantee that the final revenue solution includes the following principles:

- **Keeping Californians Covered and Healthy** - H.R. 1 gutted funding for our public safety net. Any revenue proposal must guarantee that funds generated are directed back to the people enrolled in Medi-Cal and public services.
- **Be Long-Term and Structurally Impactful to the State Budget** - With no commitment from Congress to reverse the devastating impact of H.R. 1 and other harmful federal policies, we need a plan not just for today but long into the future. Revenue generated must be multi-year and support the long-term sustainability of the Medi-Cal program and California's commitment to universal coverage.
- **Revenue generation should be targeted and progressive** - It should crack down on the most egregious abusers of our safety net — the very corporations cashing in on the tax windfalls of H.R. 1 — while shielding the families and communities whose health and well-being are already under assault from the Trump Administration.
- **Be Non-Discriminatory** - Employers must not be allowed to discriminate against employees or job applicants because they are on Medi-Cal or receiving other public benefits. Coverage status cannot be used to deny opportunities, reduce benefits, or penalize workers in any way.

While we cannot completely reverse the dismantling of the public safety-net that the Trump Administration and GOP Congress began, we can fight back. Working together, California can show how we stand up for our neighbors, and how we hold corporate America accountable.

² <https://sbud.senate.ca.gov/system/files/2026-04/foundation-for-the-future-framework-overview.pdf>

³ [Businesses Are Cashing In On Trump's Tax Cuts](#), New York Times, Dec. 12, 2025

Most importantly, we can guarantee life-saving coverage is still available, so that Californians don't suffer from unnecessary illness and death.

In closing, we know there are many battles before the Senate and Assembly today, and urge the leadership of both bodies to stand up for everyday taxpayers and responsible businesses who cannot afford to keep picking up the health care tab for corporations that don't pay their fair share. At a time when low-income Californians are struggling to pay for their groceries and rent, we cannot jeopardize their health to pay for tax cuts for the most wealthy. *We have your back.*

Sincerely,

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